19 July 1976

MEMORANDUM

SUBJECT: NIO Meeting on the KIQ-KEP Process, 9 July 1976 (representatives of the IC Staff attending)

- 1. The NIOs were agreed that the KIQ-KEP process has failed as a device for setting super priorities, for allocating resources, and for accounting for resources. The KEP part of the process, particularly, should be interred with a stake through its heart. Rather than making an attempt to adjust the process now, the process should be put in suspense until its purposes can be thought through anew and more appropriate mechanisms devised for its implementation.
- 2. Whatever process is eventually designed to replace KIQ-KEP, the NIOs were also agreed that the problems the process selects must be crisply defined and actionable. The attempt to cover every important subject in the world should deliberately be abandoned. Many important problems, moreover, must be excepted from the key problemselection process. Most political problems, for example, do not lend themselves to it; although they may be very important, they either stay with us constantly and are already the object of sufficient attention, or else they arise in such unexpected shapes that there is no particular value in trying to identify them or address them in advance. The likely duration of a problem is also relevant. What point is there in selecting a problem likely to pass before a strategy for solving it can be devised? Problems concerning open societies, where information can be acquired with relative ease by existing collection systems, are yet another category that would almost always be excluded.
- 3. The NIOs did not achieve a consensus on how exclusive the list of problems should be. Probably the majority preferred a highly selective approach. They reasoned that the problem-selection process has the ability to affect only a small portion of the activities of the Intelligence Community. Most activities are primarily shaped by a consensus in the Community on relative need, by resource constraints, and by the advances of technology. As one NIO put it, some things go without saying. The purpose of the problem-selection process, therefore, should be to fine-tune the activities of the Community, particularly in certain important areas, and to galvanize the Community to create new capabilities to fill certain critical gaps in our knowledge.

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- 4. The minority argued that problem-selection must be broad in scope if it is to be bureaucratically useful for justifying activities that all agree are important. If the process is not broad in scope, essential activities, such as data base management and basic research, will get slighted, ultimately placing in danger the ability of the Community to respond to all but a few critical problems.
- 5. The NIOs were, in any case, agreed that the process of selecting key problems should be continuous, rather than periodic, though there probably should be a periodic review. Coordination of the problem-selection process should be achieved through informal agreement that a problem is, indeed, important.
- 6. The NIOs also agreed that the formulation of strategies to address problems is one of the most important parts of the process. Once all parts of the Intelligence Community begin genuinely to communicate with one another, the solution to a problem tends to become clearer and sometimes more readily attainable. Indeed, the entire process of problem-selection and address could be viewed in terms of providing a mechanism for the development of special collection and analytical strategies.
- 7. It follows from this line of thinking that a problem-selection and address process would not require an elaborate formal evaluation phase. Such a process would in many cases be essentially self-evaluating, in that one would automatically know whether a strategy milestone had been reached on time and when a problem could finally be removed from the list.
- 8. Whatever system is devised to replace KIQ-KEP, the NIOs and the IC Staff will have to work closely together. The NIOs, with their responsibility for substance, will play the leading role in problemselection and strategy-devising, while the IC Staff will take the lead in auditing and evaluation. But both the NIOs and the IC Staff will be involved throughout.

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TRANSMIT	TAL SLIP	DATE 9 Jul	y 76	
TO: All NIOs and Assistants				
ROOM NO.	BUILDING			
Herewith the consensus paper on KIQ-KEP for use at our next meeting on the subject. NIO-1161-16				
FROM: Richard Lehman, D/DCI/NI				
ROOM NO. 7E62	BUILDING Hq-	·s.		
FORM NO .241	REPLACES FORM 36		(47)	

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